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MEDICAID MEMO

TO: Virginia Medicaid Participating Health Care Providers
and Managed Care Organizations (MCOs)

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

DATE: 10/04/2006

SUBJECT: National Provider Identifier (NPI) Update

The purpose of this Medicaid Memorandum is to update healthcare providers about the Department of Medical Assistance Services (DMAS) National Provider Identifier (NPI) implementation plan. This is the third in a series of NPI Medicaid Memorandums, with previous communications published on February 27, 2006 and June 16, 2006.

DMAS has adopted the NPI as the standard for identifying all healthcare providers on all transactions (Automated Response System, Claims, Prior Authorizations), including paper claims. As a healthcare provider, you are required to obtain an NPI to continue your participation in Virginia Medicaid and other DMAS programs even if you do not use electronic transactions. DMAS is targeting first quarter 2007 as the timeframe in which you may begin using NPIs on all transactions. However, the NPI must be used in all transactions by the NPI compliance date of May 23, 2007.

DMAS' NPI Implementation Schedule

Get your NPI NOW!! If you have not already done so, contact the National Plan and Provider Enumeration System (NPPES) at 1-800-465-3203 or online at <https://nppes.cms.hhs.gov> to obtain your NPI.

June 2006 through December 2006 – NPI Re-Enrollment: DMAS will send out NPI Re-Enrollment packets to all healthcare providers participating in the Virginia Medicaid Program. Mailing of these packets has been ongoing since June and will continue through November. If you do not receive an NPI Re-Enrollment packet by November 15, 2006, please contact the First Health Provider Enrollment Unit (PEU) to request a packet by calling 1-888-829-5373 (In-state toll free) or 804-270-5105 (Richmond area and out of state long distance). Upon receipt of your NPI Packet you should complete all information requested and return it to the PEU as soon as possible. Failure to

complete your NPI Re-Enrollment Packet will result in your not being able to conduct business transactions (ARS, Claims, PA) beginning on the NPI compliance date of May 23, 2007.

***Please note that the dual use implementation date has not yet been finalized.**

Through First Quarter 2007: DMAS will continue to use only the Medicaid provider identification number in processing claims and issuing prior authorizations. (NPIs submitted on electronic transactions will be stored but will not be used when processing the transaction).

Second Quarter 2007 through May 22, 2007 – Dual Use: DMAS will allow dual use of either the Medicaid provider identification number or the NPI. During this phase, if the NPI is submitted, claims will be processed utilizing the submitted NPI even if the Medicaid identification number is also indicated on the claim. Should you submit an electronic 837 claim transaction that includes your NPI, and you are receiving an electronic 835 remittance advice, your remittance will be generated utilizing the NPI on your claim. A Medicaid Memorandum will be mailed to you at least 30 days in advance to notify you of the confirmed start date for the dual use period. You can also visit the DMAS website at <http://www.dmas.virginia.gov/> for frequent updates.

May 23, 2007 – NPI Compliance: DMAS will only accept claims having an NPI. After May 22, 2007, DMAS will accept the Medicaid provider number only in rare situations from providers who have not been able to obtain an NPI and the date(s) of service on the claim is prior to May 23, 2007. In this situation, claims and adjustments with a legacy Provider Identification Number must be submitted on paper claim forms.

Group Billing

In concurrence with the transition to the NPI, DMAS is mandating the enrollment of Group Practices. Group Practice enrollment allows multiple fee-for-service practitioners to bill and be paid under one Group Practice NPI. All individual practitioners in the Group Practice must be enrolled in the Virginia Medicaid Program and have an individual NPI (Type 1). In addition, the Group Practice must enroll in the Virginia Medicaid Program and have an organization NPI (Type 2).

Group Practice Enrollment only impacts organizations that currently submit bills with multiple legacy Medicaid Provider Identification Numbers that correspond to the individual rendering practitioners within the group. For example, a pediatric group that submits bills using multiple Medicaid Identification Numbers, one for each physician, will need to enroll as a Group Practice.

Group Practice Enrollment does not apply to organizations that currently bill with legacy Medicaid Provider Identification Numbers that only correspond to the agency, organization, or location. For example, a Rural Health Clinic that submits bills using a single Medicaid Identification Number for the agency, or Community Services Board that submits bills with multiple Medicaid Identification Numbers that identify various office locations, will not be enrolled as a Group Practice.

All group billing packets will be mailed to group administrators by the end of September. Please check with your group administrator to ensure that you have received a packet and determine how they would like for you to share your NPI information with them.

New Billing Forms

DMAS will be following the phase-in approach for the new version of the CMS-1500 and the UB-04 paper forms that allow for NPI usage. NPIs will not be allowed on older versions of the forms. The phase-in for each of these paper billing forms is:

CMS-1500 (08-05)

- Phase 1: October 1, 2006 through March 31, 2007, either the old CMS-1500 (12-90), or the new version of the form will be accepted. Only the legacy Medicaid Identification Number may be used on the old CMS-1500 (12-90). Only the legacy Medicaid Identification Number may be used on the new CMS-1500 (08-05) until the confirmed start date of the dual use period.
- Phase 2: April 1, 2007 – May 22, 2007 only the new CMS-1500 (08-05) form will be accepted using either an NPI or legacy identifier.
- Phase 3: Beginning, May 23, 2007 only an NPI can be used on the form.

UB-04

- Phase 1: March 1, 2007 through May 22, 2007, either the UB-92 or the UB-04 will be accepted. Only the legacy Medicaid Identification Number may be used on the UB-92. Only the legacy Medicaid Identification Number may be used on the UB-04 until the confirmed start date of the dual use period.
- Phase 2: May 23, 2007 and thereafter, only the new version UB-04 will be accepted and only an NPI can be used.

DMAS-30 and DMAS-31 5/06

- Phase 1: October 1, 2006 through First Quarter 2007: The implementation of the revised DMAS-30 and DMAS-31 will be effective for Part B paper claims received on or after October 1, 2006. Do not use the revised form before this date. The only invoice form that will be accepted for claims postmarked on or after October 1, 2006, will be the DMAS-30 R 5/06 and the DMAS-31 5/06. Only legacy Medicaid Provider Identification Numbers will be accepted on the DMAS 30/31 5/06 until the confirmed start date of the dual use period.
- Phase 2: Second Quarter 2007 through May 22, 2007, either the Medicaid Identification Number or the NPI may be used on the 5/06 version of the DMAS-30 and DMAS-31 beginning on the confirmed start date for the dual use period.
- Phase 3: Beginning May 23, 2007 only the NPI may be used on the 5/06 version of the DMAS-30 and DMAS-31.

NPI Training & Education

DMAS has completed the first phase of NPI Basics training throughout the state. We will be coming back out in the fall to provide specific training on billing procedures and instructions on NPI use with the new claim forms. Please visit the DMAS Learning Network at www.dmas.virginia.gov/In-home.htm for Upcoming Training Events in your area!

DMAS will also begin conducting Web-Based Q&A sessions on topics associated with NPI such as group enrollment, billing, new claim forms and many other NPI related topics. The Web address is <https://dmas.webex.com>. Visit frequently to find when a subject matter expert will be available to answer your questions.

For Frequent NPI Updates visit the DMAS Website online at: www.dmas.virginia.gov. If you have an NPI question that has not been answered through our training, Web-based Q&A, or FAQs located on the DMAS website you can email us at NPI@dmas.virginia.gov.

PROVIDER E-NEWSLETTER SIGN-UP

The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. In addition to NPI updates, covered topics will include changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the Provider E-Newsletter, please sign up at www.dmas.virginia.gov/pr-provider_newletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memos, Medicaid Provider Manuals, or any other official correspondence from DMAS.